

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Second Regular Session

House Bill No. 7655



Introduced by **MAGDALO Party-List Representative**
HON. GARY C. ALEJANO

EXPLANATORY NOTE

Pilotage service is one of the important complementary services to vessels in port. The Charter of the Philippine Ports Authority (PPA), Presidential Decree No. 85, specifically Section 6 (a) (viii), vests PPA with the power to control, regulate and supervise pilotage and the conduct of pilots in any port district. PPA has promulgated several regulations on pilotage in order to implement its mandate and/or to respond to the complaints of both foreign and coastwise shipping lines/operators.

The complaints include unsatisfactory or delayed services rendered by some pilots, lack of proper equipment and gear overcharging of pilotage fees and the collection of unauthorized fees.

At present, pilotage services are solely provided by the members of the Harbor Pilots' Association in a pilotage district which is under the United Harbor Pilots' Association of the Philippines (UHPAP).

On 3 February 1986, President Marcos signed Executive Order No. 1088 without prior consultation with the maritime sector and the PPA. The EO made pilotage services in all ports in the country compulsory, and increased pilotage fees by as much as four thousand percent (4,000%) for the benefit of UHPAP members, the umbrella organization.

Presently, there is a need to define clearly pilotage services, and to establish in an unequivocal manner the basis for the imposition of not less than 10% of government share in the gross receipts from harbor pilotage operations.

This bill seeks to provide a mechanism maritime liability of harbor pilots.

In view of the foregoing, early passage of this bill is earnestly requested.


GARY C. ALEJANO
Representative

Magdalo Para sa Pilipino Party-List

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AN ACT
REGULATING HARBOR PILOTAGE SERVICES AND THE CONDUCT OF HARBOR
PILOTS IN ALL PORTS IN THE PHILIPPINES AND FOR OTHER PURPOSES

*Be it enacted by the Senate and House of Representatives of the Philippines in Congress
assembled:*

1 **SECTION 1. Title.** - This Act shall be known as the "*Pilotage Service Act of 2018*".

2
3 **SEC. 2. Policy and Objectives.** - It is hereby declared the policy of the State to regulate,
4 control, and supervise pilotage services and the conduct of pilots in all ports of the country to
5 attain the following objectives:

- 6
7 a) Ensure the safe conduct in ports of vessels and seaborne commerce/passengers;
8 b) Protect port structure and facilities;
9 c) Establish reasonable charges for pilotage services;
10 d) Foster fair competition among harbor pilots in the delivery of pilotage services;
11 e) Ensure efficient pilotage services at all times; and
12 f) Professionalize harbor pilotage services.

13
14 **SEC. 3. Definition of Terms.** - For purposes of this Act, the terms used herein, unless the
15 context indicates otherwise, shall mean as follows:

- 16
17 a) Pilotage service is the act of conducting maneuvering a vessel to/from berth to
18 anchorage;
19 b) Harbor pilot is a licensed master mariner duly accredited by the Philippine Ports
20 Authority to conduct pilotage in a pilotage district;
21 c) Authority refers to the Philippine Ports Authority;
22 d) Accreditation is the authority granted by PPA to any harbor pilot to render pilotage
23 services in a particular pilotage district;
24 e) Permit to operate is the authority granted by the PPA to any pilots' organization to
25 render pilotage service in a particular pilotage district; and

1 f) Gross income from pilotage services is the total gross billing whether collected or not,
2 assessed against the ship owner/ agents for pilotage and related services.
3

4 **SEC. 4. *Establishment of Pilotage District.*** - The Philippine Ports Authority is hereby
5 authorized to establish, through longitude and latitude, the pilotage districts throughout the
6 country including the number of pilots for each pilotage district.
7

8 **SEC. 5. *Provision of Pilotage Services.*** - Pilotage services in all pilotage districts shall
9 be provided directly by the Authority either by contract or through accredited pilots
10 organizations.
11

12 **SEC. 6. *Compulsory or Optional Pilotage.*** - For entering a harbor and anchoring thereat,
13 or passing through rivers or straits within a pilotage district, as well as docking and undocking at
14 any pier/wharf, or shifting from one berth to another, every vessel engaged in foreign trade shall
15 be under compulsory pilotage, except in specific ports/areas/cases declared as optional per the
16 regulations promulgated by the Authority.
17

18 Pilotage for vessels engaged in domestic trade shall be optional, except in specific
19 ports/areas/cases declared as compulsory per regulations promulgated by the Authority.
20

21 **SEC. 7. *Accreditation of Harbor Pilots.*** - Harbor pilots shall be accredited by the
22 Authority, on the basis of merit and fitness, for a term of not less than one (1) year but not
23 exceeding five (5) years.
24

25 Accreditation may be renewed under such terms and conditions as the Authority may
26 adopt, but in no case shall the renewal exceed the compulsory retirement age as provided for in
27 Section 9 hereof.

28 The accreditation, transfer, suspension and cancellation of a harbor pilot's accreditation
29 shall be governed by the rules and regulations promulgated by the Authority.
30

31 Nothing contained herein shall be construed to mean an employer-employee relationship
32 between the Harbor Pilot and the Authority.
33

34 **SEC. 8. *Qualification of a Harbor Pilot.*** - No person shall be accredited as harbor pilot
35 unless he is a Filipino citizen and, on the day of accreditation, is not more than fifty-five (55)

1 years old, of sound physical and mental condition, of good moral character, and a holder of a
2 license as harbor pilot for the pilotage district applied for.

3
4 **SEC. 9. *Compulsory Retirement of Pilots.*** - Upon the effectivity of this Act, harbour
5 pilots shall be considered retired at the age of sixty (60) years.

6
7 **SEC. 10. *Establishment of a Pilots' Organization.*** - Pilots in a pilotage district may form
8 themselves into a pilots' organization which shall be registered with the Securities and Exchange
9 Commission and accredited with the Authority. The organization shall be headed by a Chief
10 Pilot to be elected from the member-pilots.

11
12 **SEC. 11. *Permit to Operate.*** - Every pilots' organization shall secure from the Authority
13 a permit to operate (PTO) for such services under terms/conditions the Authority may prescribe.

14
15 **SEC. 12. *Cancellation of PTO.*** - The PTO may be cancelled by the Authority only for
16 cause and after due process.

17
18 **SEC. 13. *Record.*** - Harbor pilots/ pilots' organizations shall keep a record of their
19 operations and financial transactions and such other records or reports as may be required by this
20 Act. All records shall be made open to member-pilots and concerned government agencies for
21 inspection and examination.

22
23 **SEC. 14. *Indemnity Insurance.*** - Every pilots' organization shall collectively insure its
24 membership with the Government Service Insurance System (GSIS) at an amount to be
25 determined by the Authority to cover in whole or in part any liability arising from any accident
26 resulting in damage to vessel(s), port facilities and other properties, and/or death or injury to
27 persons caused by its members in the performance of pilotage service.

28
29 **SEC. 15. *Operating Capital, Equipment and Facilities.*** - To effectively and efficiently
30 render pilotage services, individual pilots and/or pilots' organizations shall make available
31 operating capital, equipment or facilities as may be required by the Authority.

32
33 **SEC. 16. *Pilotage Services and Rates.*** - The Authority shall define pilotage services,
34 including tug assistance and other related services, and shall determine, establish and adjust the
35 rates therefore, in coordination with relevant government agencies and concerned private sectors,
36 taking into consideration factors such as, but not limited to, tonnage of vessels and distance
37 covered by the service.

1 The rates thus determined shall take effect fifteen (15) days after publication in any
2 newspaper of general circulation.

3
4 **SEC. 17. Government Share for Pilotage Services.** - For the privilege granted to
5 pilots/pilots' organizations to undertake pilotage services and for the use of port facilities, there
6 shall be collected a government share of not less than ten (10%) percent in the pilots' gross
7 income from pilotage and related services.

8
9 **SEC. 18. Extent of Liability.** - A harbor pilot/pilotage organization providing pilotage
10 service to a vessel shall be responsible for the damage sustained by the vessel and other facilities,
11 and for the death or injury to persons resulting from his/its failure or negligence. He/she may
12 only be absolved from liability if the accident is caused by *force majeure* or natural calamities, or
13 when his/her order is countermanded by the master of the vessel: Provided, however, That he/she
14 exercises extraordinary diligence in the performance of his/her duties to prevent or minimize
15 damage.

16
17 **SEC. 19. Penalties.** - Any person who violates the provisions of this Act and the
18 implementing rules and regulations shall be punished by imprisonment of not less than ten (10)
19 days but not more than six (6) months, as may be determined by the court.

20 If the offender is a duly-accredited harbor pilot, his accreditation shall, in addition to his
21 imprisonment, be suspended/cancelled or revoked.

22
23 The Authority shall have the power to suspend, cancel or revoke the accreditation of a
24 harbor pilot and to impose administrative fines in an amount not less than Twenty Thousand
25 Pesos (P20,000.00) but not more than Two Hundred Thousand Pesos (P200,000.00) for such
26 specific violation as shall be determined by the Authority.

27
28 **SEC. 20. Issuance of New Accreditation to Incumbent Harbor Pilots.** - Incumbent
29 pilots in all pilotage districts shall be issued new accreditations in accordance with the provisions
30 of this Act. In no case shall said new accreditations exceed the compulsory retirement age for
31 harbor pilots as provided for in Section 9 hereof.

32
33 **SEC. 21. Repealing Clause.** - Executive Order No. 1088 and all other laws, decrees,
34 orders, rules and regulations or parts thereof inconsistent with or contrary to the provisions of
35 this Act are hereby repealed or modified accordingly.

1 **SEC. 22. *Separability Clause.*** - If any part or provision of this Act is held
2 unconstitutional or invalid, other parts or provisions which are not affected thereby shall
3 continue to be in full force and effect.

4
5 **SEC. 23. *Effectivity.*** - This Act shall take effect fifteen (15) days after its publication in
6 at least two (2) national newspapers of general circulation.

Approved,